

By: Ellis

S.B. No. 1621

A BILL TO BE ENTITLED

AN ACT

relating to unclaimed benefits under certain life insurance policies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1101, Insurance Code, as effective June 1, 2003, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. UNCLAIMED BENEFITS UNDER CERTAIN POLICIES

Sec. 1101.351. APPLICABILITY. (a) This subchapter applies to each insurer authorized to write life insurance in this state operating under Chapter 841, 882, 884, or 982. This subchapter does not apply to an insurer operating under Chapter 881, 885, 886, 887, or 888, or an insurer exempt under Section 887.102.

(b) This subchapter applies to any individual or group life insurance policy, other than a term life insurance policy, issued in this state, including an industrial insurance policy offered under Chapter 1151.

Sec. 1101.352. DUE DILIGENCE STANDARDS. The commissioner shall adopt rules as necessary to define minimum standards of due diligence that an insurer must exercise relating to the payment of unclaimed benefits payable on the death of an insured who is covered under more than one life insurance policy issued by the insurer.

SECTION 2. Not later than January 1, 2004, the commissioner of insurance shall adopt rules as required by Section 1101.352, Insurance Code, as added by this Act.

1           SECTION 3.   This Act takes effect September 1, 2003.